like capital investment subsidy, interest subsidy, insurance premium, income tax exemption etc.

Pension reforms

1293. DR. C. NARAYANA REDDY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) in what manner Government propose to ensure old age social security in the process of pension reforms;

(b) what is the role of insurance companies in the pension reforms; and

(c) by when Govemment propose to implement the reforms?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Income security is provided in the form of pension benefits as part of old age social security by the Government. In the Budget 2003-04, a new pension system, based on defined contribution, has been envisaged for new Central Government employees and a scheme for the general public. The new pension scheme will be portable, allowing transfer of the benefits in case of change of employment and will go into 'individual pension accounts' with pension funds. The Ministry of Finance will oversee and supervise the pension funds through a new and independent Pension Fund Regulatory and Development Authority. The pension assets accumulated over a period of time are vested with Insurance companies for providing annuities.

Posts of Deputy Governor in RBI

1294. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether all incumbents of Deputy Governor level posts in the Reserve Bank of India are in position;

(b) if not, the details of the vacant posts;

(c) whether additional posts of Deputy Governors are also being created; and

(d) if so, the purpose and the allocation of work to them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) As per section 8(1) (a) of Reserve Bank of India Act, 1934 the Central Board of Reserve Bank of India shall, *inter-alia,* consist of a Governor and not more than 4 Deputy Governors to be appointed by the Central Government. However, out of the four posts of Deputy Governors, one post has not been traditionally filled up.

(c) and (d) A representation has, however, been received for filling up the fourth post of Deputy Governor which is being examined.

Sanctioning of loans to State Govemment Corporations by Banks

1295. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that commercial banks have been sanctioning loans to the State Government run corporations against the guarantees given by the State Government;

(b) whether commercial banks have any mechanism to ensure that the loan sanctioned is utilized for the purpose for which it was given;

(c) if so, the details of the defaulting corporations in different States; and

(d) the reasons of accepting the guarantees from the State Governments?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) The Commercial banks sanction loans to State Government run corporations for their projects and meeting working capital requirements and guarantees offered by the State Governments are taken as collateral securities. This is normal banking practice and the banks may invoke such guarantees to safeguard their interests, when required. The commercial banks have system and procedures in place for monitoring the end use of funds given to the borrowers.

(c) The information is being collected and to the extent available will be laid on the Table of the House.